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## SUMMARY

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#### SOUTHEAST ASIA

## 1. Comment on fall of Indonesian cabinet:

Indonesia's coalition cabinet, headed by Wilopo of the National Party, fell on 2 June following a split on the issue of land distribution in North Sumatra.

The National Party and the Masjumi, the principal parties in the coalition, have consistently differed on basic issues. The opportunistic tactics of the National Party, which included increasing cooperation with the Communists, also contributed to a situation of chronic instability.

A succeeding cabinet is likely to include the National Party but will not necessarily be more to the left than the Wilopo government. President Sukarno may ask the conservative wing of the Masjumi, unrepresented in the Wilopo cabinet, to cooperate with the National Party in forming a new government. The possibility that Vice President Hatta might be asked to form a nonpolitical cabinet, as recently reported, is believed to be remote. Previous experience indicates that a considerable period may elapse before a new government is formed.

# 2. Air supply to Li Mi's forces in Burma reportedly continues:

25X1A	The American army attache in Taipei has been reliably informed that a plane of the Fushing Airways left Taipei on 28 May carrying supplies to Mong Hsat, headquarters of the Chinese Nationalist troops in Burma.

Comment: This is the third report indicating that Taipei is continuing to supply Li Mi's troops in Burma by air since negotiations for their evacuation began in February.

Meanwhile, work of the committee in Bangkok which has been attempting to arrange the evacuation of Li Mi's troops has been suspended as a result of the Chinese representative's recall to Formosa in connection with Admiral Radford's visit there.

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	3.	Philippine president's illness will namper his election campaign:	
25X1	Ambassador Spruance in Manila believes that Philippine president Quirino's present condition, though not critical, will prevent him fro campaigning actively in the near future and the his opponents for the presidency will capitalize on his illness.		
		Comment: Should Quirino die, Vice President Lopez, who is currently supporting Romulo's candidacy, would become president and by virtue of his office would be in a strong position to name a new Liberal nominee.	25X1
		WESTERN EUROPE	
	5.	British and French to oppose any Soviet effort to revive control council in Germany:	
25X1A		Both the British and French high commissioners in Bonn recommend that the Allies block any effort by Moscow to renew the operations of the	
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Allied Control Council, which governed Germany from 1945 to 1948. They believe that the recent changes in the Soviet administration in East Germany may presage a new Soviet effort to re-establish the control council by requesting Allied-Soviet high commissioners' meetings to deal with specific problems.

Comment: Although the Allied Control Council, in which each of the four countries had the power of veto, ceased to function when Soviet representatives withdrew in March 1948, the council was never formally abolished.

6. Slim majority seen for De Gasperi in 7 June elections:

25X1A	The American embassy in Rome still believes that Premier de Gasperi's center bloc of parties will win the 7 June elections by a "rather slim margin" and obtain a majority in both the Senate and the Chamber of Deputies. The embassy states that the current wave
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and the Chamber of Deputies. The embassy states that the current wave of pessimism may be partly ascribed to a government tactic to bring out a maximum vote as the only means to avoid defeat with ensuing political chaos.

Comment: Under the recently passed electoral law, the De Gasperi bloc, by winning a bare majority of the popular vote, would gain almost two thirds of the seats in the Chamber of Deputies. This law does not apply to the Senate, however, and a bare majority there would leave the government parties severely handicapped by rightist and leftist opposition.

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